CITY OF OAKLAND Interoffice Letter

INSTITUTE OF GOVERNMENTAL ID 24 9

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UNIVERSITY OF CALIFORNIA

	Administrator,							
To:	Redevelopment Agency	Attention:_	Henry L.	Gardner	Date	e: July 3	0, 1991	
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From: Office of Economic Development and Employment

Subject: STATUS REPORT ON MAJOR REDEVELOPMENT PROJECTS

The following is an updated status report on the major redevelopment projects being planned and/or implemented by the Oakland Redevelopment Agency. The last report was made to the Agency on January 29, 1991. Staff will continue to provide status reports every six (6) months.

A. CHIY CENTER

<u>General</u>: Under the close scrutiny of the developer, Bramalea Pacific, Inc., City Center continues to progress satisfactorily with several buildings (totaling 1,979,000 square feet) of office space completed with retail on the ground floor. Construction on one building is scheduled to be completed in September 1991 and the new garage project commenced construction on June 27, 1991.

1111 Broadway: As indicated in the January 29, 1991 status report, this 24-story, 550,000 square foot building was completed on October 22, 1990. The building is currently 65% leased. Bramalea Pacific has relocated its offices from the Clorox building to the 14th floor of this building.

In March 1991, the Oakland Museum Sculpture Court at City Center opened in the west lobby of the building. In addition, Fontebella a 180-seat restaurant opened on June 26, 1991.

1200 Clay Street (Health Club): Construction on the new 60,000 square foot health club is scheduled for completion in September 1991. In addition, the building contains 7,500 square feet of retail and 16,688 square feet of office space. The office space will be exclusively leased to medical doctors who will utilize the health club for their clients requiring physical therapy. This building is currently 91% leased.

1300 Clay Street: The retail portion of this building is approximately 39% leased. The office portion of the building is currently 97% leased. Less than a full floor of office space remains to be leased.

1155 Clay Street: This new 425,000 gross square foot building will be located on the northwestern corner of 11th and Clay Streets. Construction is now scheduled to commence in October or November 1991. Remediation of designated (contaminated) material has been completed.

<u>City Center Garage II</u>: Construction of the 1,465-car parking garage commenced on June 27, 1991 with the shoring and excavation work. The erection of the structure will begin in September 1991.

#10 ORA 1/30/91

Environmental Remediation of Remaining Sites: There are two remaining sites in City Center that will require remediation: (1) the T-6 site at the northeastern corner of 11th and Clay Streets; and (2) the T-12 site at the northwestern corner of 11th and Jefferson Streets. The full extent of the contamination is not yet known. Extensive research is currently being performed on the T-6 site for the potential recovery of cleanup costs.

B. OAKLAND FEDERAL BUILDING

This one million gross square foot building is located on the blocks bounded by Clay, 12th, Jefferson and 14th Streets. It will contain twin 18-story towers and two 5-story wings. Pile driving was completed on July 1, 1991. Steel erection of the 5-story wings has been completed. Steel erection of the 18-story towers will begin on July 29, 1991 and is scheduled to be completed in December 1991. The building is scheduled to be completed by August 1993.

C. PRESERVATION PARK

Rehabilitation construction of all of the Phase II houses is substantially complete.

A total of 47,438 square feet of space is currently leased. The lease rate is \$.62-\$1.62 per square foot. Completed structures and tenants are listed below:

Ginn House

Before Columbus Foundation Management Dynamics

The Walter Kaitz Foundation

Higgins House

Project Outreach
Project Safety Net
Community Development Systems
Prevention Associates

Oakland Potluck
Math/Science Network
Kirsten Ritchie
Project Openhand

Remillard House

East Bay Perinatal Council

Thornton House

Conciliation Forums of Oakland
Larry Lowe Insurance Company

Urban Strategies Council

Bauske House

Redwood Cultural Work

Jacobs House

Children Now

Hunt House

Children's Advocate Oakland-Sharing the Vision Kitka

Standeford House

California Association of Student Council

International Ed. Forum



Park
Mentoring Center
Healthy Babies Project
Boomtown Records

Raymond House
Caitlin Croughan
Judith Brigg Marsh & Associates
Ed Words Marketing

Trobridge House Walcott Ayers & Shore

Bartling
Institute for Journalism Education

Marcus Foster Educational Institute Writer's Inc., Technical Writers Bank

Del Tours The James Spohn Company National Educational Film & Video

Due to the unanticipated time it has taken to obtain a Housing and Urban Development (HUD) project audit clearance, the balances of the Urban Development Action Grant (UDAG) and the \$4,023,000 Community Development (CD) Float loan were frozen and are not currently available to the project. Staff has requested the temporary use of Redevelopment Agency funds to keep the project moving to completion. Staff has provided HUD with the additional information and documentation which was requested.

D. GESTALIT/BLACK FILMMAKERS/OAKLAND BUSINESS DEVELOPMENT PROJECT

The Agency approved two loans to assist with development costs of the Black Filmmakers museum and office building located at 12th Street and Martin Luther King, Jr. Way. The first loan in the amount of \$600,000 would be to the joint venturers, Gestalt Development Corporation (GDC), Black Filmmakers Hall of Fame, Inc., (BFHF) and Oakland Business Development Corporation (OBDC). The loan will be at 7% interest for a term of 10 years. The second loan in the amount of \$250,000, will be an Agency equity loan to OBDC with a 7% interest rate and a term of 5 years.

Staff has been working with the developer and Subsurface, Inc. on the toxic remediation.

The most recent cost estimate by Subsurface to clean up contamination on the site is approximately \$700,000. Our original understanding with the developer was the cost for remediation would be shared equally (50-50) between the developer and the Agency. Since receiving the latest cost estimate, the developer has indicated that they can only contribute \$100,000 towards the cleanup and the Agency will have to pay for the rest of the cost of cleanup. Staff has not accepted this and currently we are at an impasse, but staff will further explore the remediation issue and will report to the Economic Development, Community Development and Housing Committee in September 1991.

E. CHINATOWN

East Bay Municipal Utility District Building (EBMUD): Tenant improvements are complete, and EBMUD started to move into the building during the weekend of July 13. Approximately 700 employees will be moved into the

250,000 square foot building, and the move will be completed by the first weekend of August.

Basic agreement has been reached with the Chinatown Community for the shared parking in the EBMUD building. The District will make available for public parking the second basement level and, if necessary, the third basement level as well, on weekends and holidays, when the parking garage in the Pacific Renaissance Plaza (PRP) site is completed and open for use, as ingress and egress to and from the EBMUD basement for the public parking will be through the second basement level of the PRP garage. EBMUD has also agreed to consider opening their parking for public use earlier dependent on their experience with operation of their garage.

Pacific Renaissance Plaza (PRP): Construction continues on the PRP. Excavation of the site was completed by the end of March. By mid-July 1991, reinforced concrete work on the third and second basement levels were complete, and work on forming and pouring the first level basement slab was also completed. Dewatering of the site was terminated, and the groundwater treatment equipment was demobilized and stored at the City's service yard at Edgewater Drive.

The target date for the completion of construction is November 1992. When complete, PRP will have: 250 residential units, 50 of which will be moderate rental housing, with the remaining 200 being market rate condos; about 100,000 square feet of commercial and retail space; a 24,000 square foot Asian Library and Asian Cultural Center; and three levels of underground parking with a total of 840 parking spaces. Five hundred of these spaces will be City-owned and will serve the Chinatown community as short-term public parking spaces.

F. OLD OAKLAND/VICTORIAN ROW

A major portion of the financing for the Old Oakland project was from a \$28.9 million Industrial Development Bond (IDB) issued in December of 1984. This bond issue was backed by a \$30 million Letter of Credit (IC) provided to the developer, Storek and Storek, by Citicorp. The IDB funding was never intended to be the entire financing for the project as the total projected cost was in the range of \$50 million. The IDB's were to supplement previous financing and equity obtained by Storek and utilized in the project. A City Auditor's review done in 1989 indicated that the monies from the IDB's had been completely utilized and that the project still was not complete in terms of tenant improvements and some other constructions. Also, the project had leasing and marketing problems which meant that project revenue was not able to support the deficit. In August of 1989, Storek arranged additional financing in the amount of \$8.9 million from Citicorp in order to continue development activities.

Storek had previously obtained financing from Greyhound Financial Corporation to undertake the development of the Central Freemarket adjacent to Old Oakland. Work on this building was well underway when the October 17, 1989 earthquake struck, causing damage to the structure. Greyhound immediately stopped construction funds drawdown.

Complicating matters was the fact that the \$8.9 million Old Oakland Citicorp loan was predicated on the completion of the Central Market

project within a certain time frame. When Storek informed Citicorp of Greyhound's action, Citicorp stopped funding the Old Oakland loan.

At this point, Storek had new signed leases for space in Old Oakland and no money to complete the building and tenant improvements, for these tenants. Storek then began to take money out of its property at 50 Grant Avenue in San Francisco for use in Old Oakland. The Grant Avenue development is a Storek-owned building on a site with a long-term ground lease very favorable to Storek. The property owner had for some time been trying to renegotiate the lease. Because Storek was using cash flow money from this property for Old Oakland, a lease payment was missed and the owner issued a three-day notice for Storek to vacate. Two and one-half days later, on August 5, 1990, Storek filed for Chapter XI protection on the property.

In the meantime Citicorp, the holder of the IC securing the \$28.9 million Old Oakland IDB, had been paying bond holders out of the IC and then reimbursing itself out of a Storek reserve account. (This account was originally funded out of IDB proceeds then later out of the \$8.9 million loan. Citicorp had been practicing this reimbursement procedure since 1984.) In September of 1990, Citicorp paid the bond payments and did not reimburse itself even though, according to Storek, sufficient monies remained in the account. The bank then gave Storek twenty-four hours to make the payment which Storek could not do. Subsequently, Citicorp filed Notice of Default and foreclosure on the Old Oakland property. This occurred in October of 1990. Storek put the Oakland property in Chapter XI on December 5, 1990. Two weeks later, Storek also filed Chapter XI on the Central Market project.

The status of actions as of July 23, 1991 with respect to the project is that several bankruptcy court hearings have been held resulting in a court ruling in favor of Citicorp's request for relief of stay of the Chapter XI proceedings. Essentially, this allows Citicorp to take control of the Old Oakland property and sell it at public auction. Citicorp filed a Notice of Sale for July 23, 1991 (subsequently postponed to July 24, 1991). Storek is still pursuing other options in an effort to maintain the project and on July 1, 1991 filed an appeal of the court's ruling.

One of the potential results of the foreclosure sale is that Citicorp may retain the project and attempt to increase its value prior to resale. While the uses of the project are controlled by the Central District Urban Renewal Plan, the quality and location of the uses would be subject to the bank's desires. It is possible that in order to make the immediate economics work, less than appropriate occupancies may occur. Representatives of Citicorp have indicated an inclination toward office uses at the street level. While this may be a short term solution from an economic standpoint for the bank, it conflicts with the desirability of having retail commercial activities in pedestrian oriented areas in downtown.

With respect to the status of leasing activity, 75,000 square feet of the office space has been leased with 32,000 remaining to be leased. Approximately 31,500 square feet of the 120,000 square feet of retail and restaurant space is leased.

G. RETAIL CENTER

The most recent extension to Exclusive Right to Negotiate (ERN) with The Rouse Company (TRC) expired January 7, 1991. It has not been renewed, and the Letter of Credit, which had risen to an amount of \$1,600,000, has expired as well.

The consultant, Environmental Science Associates (ESA) continued work on the program phase, or Stage I, of the Environmental Impact Report (EIR) and published the final Draft (EIR) (first phase) in May 1991. The draft report was sent to the distribution list, and a public hearing was held before the City Planning Commission on June 12, 1991. The final date for public comments on the draft is July 1, 1991, after which a Final EIR will be prepared and presented to the Planning Commission for acceptance and certification.

The consultant, Woodward-Clyde Consultants, has completed the preliminary site assessment and testing in certain areas of City-owned property. Their draft first phase report is expected to be sent to the City Attorney in early July.

Carter Hawley Hale, the parent company of the Emporium store, filed for Chapter 11 bankruptcy protection in February 1991. From newspaper reports, it appears that the company has been vigorously pursuing opportunities to re-finance and strengthen its business. However, the recent recession and depressed retail spending have not aided these efforts, and Carter Hawley Hale reported a deterioration in first quarter sales and earnings. Macy's is also struggling with a large debt burden, but appears in a somewhat stronger position than Carter Hawley Hale, and is not in Chapter 11 proceedings. There has been no recent communication from The Rouse Company regarding the level of commitment of these and other stores to the project.

The Rouse Company has indicated its continued commitment to the development of a downtown retail project in Oakland, in spite of the non-renewal of the ERN. The extent of this commitment, and resources required, still need evaluation in further discussions with the City and Agency.

H. 12TH AND BROADWAY PARKING GARAGE/BOTEL II PROJECT

In November 1987, the Council authorized the execution of an Exclusive Negotiating Agreement (ENA) with the Twelfth and Broadway Corporation for the development of a 500-car parking garage and a 300-room hotel on the block bounded by Broadway, Franklin, 11th and 12th Streets. On February 2, 1991, the Council authorized the execution of a new ENA extending the exclusive period to July 15, 1991. This was necessary because of delays in the project caused in large part by the October 17, 1989 earthquake. In the meantime, the Planning commission certified the Supplemental Environmental Impact Report (SEIR) required for the project. As a result of the SEIR process, the developer made major design revisions to the structure thereby enabling Planning Commission approval of the design and major conditional use permit on June 12, 1991.

Damage Assessment Reports for the annex to 1100 Broadway and the Starlite Ballroom have been completed. The structural evaluation of 1100 Broadway



itself is underway and will be completed in August. The asbestos survey required prior to demolition is proceeding and is scheduled for completion in September. Demolition is projected to be in early 1992.

Now, with the appropriate planning approvals from the City, the developer can proceed with his financing. The developer has requested an additional extension of the ENA because of the state of the financing climate at this time. Start date of construction will be dependent upon the availability of financing. The project will take approximately 18 months to complete from construction start.

I. ACCRN SHOPPING CENTER (ASC)

In February, 1990, the Agency approved the acceptance of an offer to purchase ASC submitted by Alex K. Hahn, in the amount of \$1,910,000. Staff and Mr. Hahn's advisers negotiated a contract of sale document on February 8, 1991. The escrow closed July 9, 1991 with the Agency receiving \$1,907,859 after settlement costs were deducted.

The major problem confronting the disposition of the ASC was the impact of the Federal Economic Development Administration (EDA) Management Agreement on delivering a clear title to Mr. Hahn.

For several months, staff has been involved in appealing the EDA decision that it would release its interest in return for a portion of the sales proceeds. We have recommended legislative action be taken to exempt the Agency from any EDA repayment claims. Toward that end, we recently provided information to our Washington lobbyist for follow-up with Congressional representatives.

J. HOUSEWIVES MARKET MIXED USE PROJECT

Currently, staff has been working to revise the DDA for the project, which was approved in November 1990. This is necessitated by restrictions on the use of Agency funds obtained from the 1989 bond issue through the Local Government Finance Agency. These restrictions limit the types of uses of the money and the ability of the Agency to recover its investment in the project. The DDA must now be amended to conform to those restrictions.

As of this writing, it appears that there is the potential of a developer reorganization. If so, time schedules may be significantly impacted and, therefore, are not reported at this time.

K. DOWNTOWN REVITALIZATION STRATEGY

The Broadway/Downtown Revitalization Strategy was conceived by the staff and the Broadway Symposium in 1987. The Strategy was originally developed to focus both public and private resources to upgrade the downtown retail image. Three phases were originally designed.

Phase I - on May 12, 1987, Resolution 87-26 was passed by the Agency, allocating up to \$800,000 for downtown public improvements. This effort was a direct result of recommendations made to the City by downtown developers that certain physical conditions needed upgrading in order to improve the retail image of Downtown Oakland. An update of the Phase I public improvements is as follows:



Old Oakland Lights: The Historical Old Oakland lights have been manufactured by the contractor, Spring City Electrical Manufacturing Eighty-four cross arms, as well as, patterns for the cross arms and the base & shaft, have been completed by Spring City. An application for design review was prepared by the Electrical Department and submitted to City Planning for approval. The application was approved in June 1991. The contract for installation will be bid during the Summer of 1991 with installation anticipated in the Fall of 1991.

The reconstruction of Latham Square and the installation of banner poles on Broadway have been put on hold pending the final results of the Phase II Urban Design and Redevelopment Strategy.

Phase II - The second phase of the Downtown Development Strategy is underway. This work involves the preparation of a Downtown Vision/Design Plan and a Merchandising and Retail Recruitment Plan.

A Preliminary Downtown Vision has been completed. The work was the result of an extensive downtown workshop conducted by the consultant team of Kaplan McLaughlin Diaz, Lawrence Halprin, Dinwiddie & Associates, Recht Hausrath and Associates and Urbanics. The workshop was held on November 28, 29 and 30, 1990. A follow-up workshop was held in February 1991. Over 50 downtown Oakland stakeholders participated in the visioning process including representatives from the Mayor's Office, the development community, the Port of Oakland, AC Transit, the City Council, the Downtown Central Business District Association, City agencies and cultural and historical organizations.

The Preliminary Downtown Vision will be reviewed by the Downtown Vision Committee in September 1991. Following review and modification, if necessary, the Preliminary Vision will be conveyed to larger constituency groups for approval. Modification to the Vision will be made and a final Downtown Vision will be conveyed to the Agency/Council for adoption in late 1991 or early 1992.

In conjunction with the Preliminary Vision, a market evaluation of the Vision has been conducted by Recht Hausrath and Associates. This evaluation is being reviewed by OEDE staff and will be presented to the Downtown Vision Committee in September 1991. The work will be conveyed to the Agency/City for approval at the time the final Vision Report is conveyed.

Two major conclusions of the Downtown Vision will have impacts on future planning efforts in the downtown. First, the Vision calls for the development of an outreach strategy to, 1) communicate the importance of downtown to a larger constituency and 2) to improve downtown image at home and abroad, and second the Vision recommends that a process be maintained to guide future development in the downtown. This second conclusion includes: (1) continuation of the Vision process, (2) coordination of the Vision with the City-wide Strategic Planning Effort, (3) updating the existing Downtown Central District Development Program to reflect the downtown vision and (4) adopt a Downtown Management Program to implement the Vision.



The Downtown Vision and the Economic Evaluation of the Downtown Vision, when adopted by the Agency/Council, will establish a foundation for the further refinement of a Downtown Redevelopment Strategy. This next step could include such outputs as, (1) the identification and prioritization of development sites within the downtown, (2) identification of specific catalyst projects for the identified sites, (3) evaluation of specific public improvements needed to support downtown development and (4) recommendations concerning regulatory changes needed to support new development in the downtown. This phase would be based in the adopted Downtown Vision framework, and would be the basis for an aggressive redevelopment marketing program.

Additionally, the Downtown Vision has an impact on neighborhood planning since it could act as a methodology for doing visioning in the neighborhoods and establish a foundation for future expanded neighborhood planning and development strategies.

Phase III - The third phase of the Broadway/Downtown Revitalization Strategy is intended to deal with the issues of downtown management and the organizational and financial tools needed to implement the downtown vision. This Phase will evaluate the need for Centralized Retail Management, a new downtown assessment district, a paid full-time downtown management staff-person and the relationship of that staff to the City and the private sector. This phase will be introduced in the Phase II portion of the overall study and will become much more clear in scope as the vision workshop process continues.

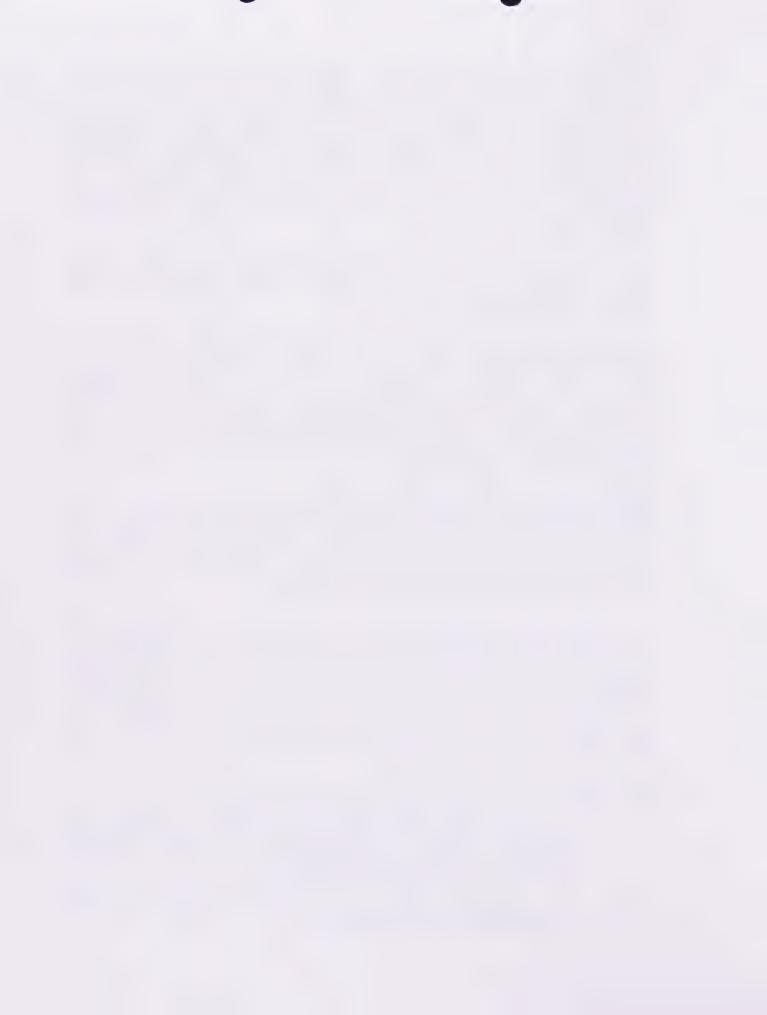
L. COLISEUM AREA REDEVELOPMENT PLANNING EFFORTS

Agency staff has recommended adoption of the Coliseum Commerce Center Advisory Committee's Task Force report on the need to proceed forward with a Redevelopment Plan for the Coliseum Area. The full Agency adopted the recommendation at its regular December 18, 1990 meeting. The Agency approved a staff report on March 5, 1991 which outlined the tasks, budget and time needed to prepare the redevelopment plan.

At present, OEDE and the Office of the City Manager have assembled a City team which will be responsible for drafting the plan, preparing the necessary documents, hiring and managing consultants and working with a Citizen Advisory Committee during plan preparation. The Design Advisory Committee is presently being formed and will represent a broad-based group of individuals and organizations from business, labor, the public sector, the housing industry, the entertainment industry, the neighborhoods, etc. The formal Citizen Advisory Committee membership will be conveyed to the Agency in July 1991 for their approval.

The Coliseum Area Redevelopment Plan will contain the following elements:

- o <u>A Comprehensive Industrial Market Analysis</u>, identifying the types of industries and firms which should be recruited and attracted to the area and which would maximize long-term investment and employment opportunities.
- o <u>A Comprehensive Housing Market Analysis</u>, specifically targeted to the East 14th Street Corridor.



- o <u>A Master Land Use Plan</u>, designating industrial, commercial and residential uses and which would form the framework for making future public and infrastructure improvements in the area.
- O A Fiscal Impact and Implementation Plan, determining the cost of public improvements and the level of public participation in key development projects as identified in the Master Land Use Plan, and comparing and contrasting them with future tax increment revenue streams.
- o <u>An Acquisition, Assembly and Development Strategy</u>, keyed to the Master Land Use Plan.
- O <u>An Implementation Strategy</u>, allowing for the formation of a new quasi-public entity for the purpose of marketing redevelopment properties in the Coliseum Area.
- o <u>A Comprehensive Environmental Impact Report</u>. To analyze the impacts of the Master Land Use Plan.

Staff has identified Community Development Block Grant carry-forward funds for the preparation of the Redevelopment Plan/Project including the above activities. The Redevelopment Plan should be completed by January 1993.

M. Neighborhood Commercial Revitalization (NCR)

The Neighborhood Commercial Revitalization (NCR) effort involves working with the City's neighborhoods to prepare revitalization plans and strategies for the more than twenty-five commercial areas outside of the downtown. The effort includes: 1) identifying neighborhood client groups; 2) preparing a report on existing conditions as well as strategies for overcoming negative conditions to revitalization; 3) preparing a market study, including residential and business surveys; and 4) creating an Urban Design or Vision Plan outlining public improvements, regulatory actions and private catalyst projects needed for commercial revitalization.

Staff is presently working with client groups in West Oakland, Fruitvale, Central East Oakland and Elmhurst. The West Oakland - 7th Street Commercial Revitalization Plan is 90% complete. This includes the market analysis, existing conditions and the urban design plan. An implementation strategy must still be completed and is presently waiting resolution of the West Oakland redevelopment planning effort.

- An Urban Design Plan for Fruitvale has been completed and a market analysis is underway. The Urban Design Plan was conveyed to the community in March 1991. Some of the recommendations in the report are being considered by the community and outside agencies. For example, the design and placement of a proposed BART parking structure, in a manner which supports commercial activities on East 14th Street, has been incorporated into the Draft EIR for the proposed structure and was considered at a public hearing in July 1991.



- A market study for the Central East Cakland NCR area has been completed and the existing conditions study was completed in the first quarter of 1991. Staff has also worked with the University-Oakland Metropolitan Forum to complete a general revitalization strategy for the neighborhood. This report will be published in the Fall of 1991. The Urban Design Plan will be starting in the Fall of 1991.
- The Elmhurst, upper MacArthur area planning effort began in June 1991. Staff has been meeting with a community client group. The market study has started, the existing conditions study has been completed. An Urban Design Plan began in June 1991 and should be completed by December 1991.

Staff is working closely with the Cakland Metropolitan Forum to complete existing NCR planning efforts and to insure that all plans are monitored for appropriate follow-up.

The Neighborhood Commercial Revitalization Fund is in its third year of operation. Intended to assist community-based organizations, it makes grants available for planning, pre-development and development costs associated with neighborhood commercial revitalization projects/programs. Presently, OEDE is reviewing two applications.

N. MARTIN LUTHER KING, JR. COMMUNITY PLAZA PROJECT

In February 1991, North Cakland Redevelopment Associates' exclusive right to negotiate with the City expired, and was not extended. Instead, the City opted to complete all required environmental and historic review processes before actively pursuing development agreements for the site.

In regard to the federal historic review requirements, or Section 106 process, a preliminary document has been prepared which compiles all existing information regarding the project site's historic relevance, as well as some primary research. This document will be used as a starting point for negotiations with the State Historic Preservation Officer (SHPO) regarding the negative impacts of the proposed development of the site, and possible mitigation measures to offset those impacts.

Regarding state and federal environmental review processes, staff is in the process of drawing up a scope of work, which will be presented to the public at a Scoping Session by mid-September. Following that, environmental consultants will be asked to prepare proposals based on the finalized scope of work. The state mandated Environmental Impact Report (EIR) and the federally mandated Environmental Impact Statement (EIS) will be prepared by the selected consultant concurrently.

On May 15, 1991, the Planning Commission once again considered the Landmarks Preservation Board's recommendation to designate the MIK site a historic landmark. This issue had been considered by the Commission in January, but was tabled until the Section 106 negotiations were under way. As these negotiations have not yet begun, the Commission voted once again to table the issue of landmark designation until an unspecified date.

A Phase I site assessment determined the existence of an underground fuel tank on the MLK Project site. The existence and extent of contamination related to the tank cannot be assessed without excavation of the tank. In order to remove the tank, the sides of the excavation must be shored to ensure worker safety, and to protect the structural integrity of the nearby gymnasium.

Regular maintenance of the site continues. It has been discovered that someone in the community has gained access to a key to the padlocks securing the site and the buildings; therefore, new combination locks are on order to replace the existing keyed locks. Various options for mending the roofs of the main building and auditorium are being explored with roofing contractors. Whether the roofs are temporarily mended with a combination of tarps, visqueen and tar and gravel, or a more expensive spray foam coating, the City is required to contact the State Historic Preservation Officer before any work can commence. Currently, staff is planning to start mending the roof in September.

O. Overall Redevelopment Issues

In response to an inquiry from the Mayor regarding when Central District tax increment funds may be used outside the Central District, the City Attorney has prepared a legal opinion. A copy of the City Attorney's

opinion is attached hereto.

ILA T. BROWN, Esq.

Attachment

APPROVED AND FORWARDED TO THE REDEVELOPMENT AGENCY

Tenry Lang

Office of the Administrator

U.C. BERKELEY LIBRARIES